

June 27, 2013



Hercules Technology Growth Capital Announces Quarter-to-Date Q2 2013 Portfolio Update

- *Quarter-to-date Q2 2013 Closed Commitments of ~\$223.4 million*
- *Quarter -to-date Q2 2013 Unscheduled Early Repayments of ~\$93.3 million*
- *Year-to-date 2013 Closed Commitments of ~\$447.0 million*
- *8 Announced or Completed Liquidity Events Quarter-to-Date*
- *5 Portfolio Companies Currently in IPO Registration*
- *Received Investment Grade Corporate Rating of BBB+ from Kroll Bond Rating Agency, Inc.*

PALO ALTO, Calif.--(BUSINESS WIRE)-- [Hercules Technology Growth Capital, Inc.](#) (NYSE: HTGC), the leading specialty finance company focused on providing senior secured loans to venture capital-backed companies in technology-related markets, including technology, biotechnology, life science and energy technology (aka cleantech) industries, at all stages of development, today announced its quarter-to-date Q2 2013 portfolio update.

"We are pleased with Hercules' robust investment portfolio activities for the quarter-to-date, with commitments of approximately \$223.4 million. It is important to note, however, the majority of these commitments closed late in the quarter and at the same time our fundings to commitments ratio is moving downward as we institute greater use of funding triggers or performance milestones to mitigate risk," said Manuel A. Henriquez, Hercules co-founder, chairman and chief executive officer. "As a result, we expect the revenue generation from the funding of these new assets to be fully reflected in our third quarter results."

"Additionally, so far in 2013, Hercules' portfolio companies have experienced a number of IPO and M&A events. This is a reflection of our team's proven ability to pick winners and help companies and their venture capital backers achieve critical growth milestones, as well as maximize value for our shareholders," he continued.

New Originations for Quarter-to-Date Q2 2013:

As of June 26, 2013, Hercules has originated approximately \$223.4 million of debt and equity commitments to new and existing portfolio companies.

Hercules has made new commitments to the following thirteen companies, assisting in their future growth and development.

Hercules' new investment commitments include:

- **\$45.0** million commitment to **Anacor Pharmaceuticals (NASDAQ: ANAC)**, a biopharmaceutical company focused on discovering, developing and commercializing novel small molecule therapeutics derived from its boron chemistry platform.
- **\$20.0** million commitment to **Spring Mobile Solutions**, a global leader in delivering mission-critical mobile application software and end-to-end mobility solutions that enable enterprises to increase productivity and maximize business success.
- **\$20.0** million commitment to **Rockwell Medical (NASDAQ: RMTI)**, a fully-integrated biopharmaceutical company targeting end-stage renal disease (ESRD) and chronic kidney disease (CKD) with innovative products and services for the treatment of iron deficiency, secondary hyperparathyroidism and hemodialysis.
- **\$17.5** million commitment to **Orion HealthCorp, Inc.**, a top medical billing and practice management company that supports office-based physicians and hospital specialists across the United States.
- **\$15.0** million commitment to **TPI Composites**, a global provider of high-quality composites such as wind turbine blades and other structurally advanced products that achieves cost-effective solutions through partnerships with the industry's leading manufacturers.
- **\$10.0** million commitment to **TouchCommerce**, a company focusing on accelerating results for its customers by delivering exceptional online engagement solutions, that enhance customer experience, increase revenue and reduce support costs, while using real time customer data analytics.
- **\$10.0** million commitment to a developer of human gene based therapies.
- **\$8.0** million commitment to **CashStar**, a leading digital gifting and incentives company that delivers on-demand gifting and mobile payment technology and multi-channel marketing services to the world's leading retail brands.
- **\$6.0** million commitment to **Agrivida**, a commercial leader in developing high-performance industrial enzymes and engineered crops for optimized production of biofuels, bio-based chemicals, and animal feed products.
- **\$5.0** million commitment to **Mobile Posse**, a leading provider of next-generation mobile marketing, CRM and research solutions for the home screen.
- **\$3.5** million commitment to **Startapp**, a Mobile Ad Network specializing in monetization and distribution of free mobile applications.
- **\$3.0** million commitment to **Plures Technologies Inc. (OTCPK: MANY)**, an electronics company that through its subsidiary Advanced MicroSensors Corporation, develops, engineers, and manufactures MEMS (micro electrical mechanical systems) and Spintronics products in the forms of magnetic compassing sensors, medical sensors and switches, and industrial switches.
- **\$2.0** million commitment to **MDEverywhere**, a leading provider of revenue cycle services for physicians that offers a unique solution that includes web-based practice management software, coding rules engines, contract monitoring tools and full-scope claims management and back-office services.

In addition, Hercules provided approximately \$58.4 million of debt commitments and renewals to existing portfolio companies.

It is important to note that certain commitments may expire without being drawn upon and commitments do not necessarily represent future cash requirements or future earning assets for Hercules. Our commitments may include conditions such as reaching certain milestones before the Hercules debt commitment would become available which will affect our funding levels. Hercules is instituting more funding or performance based milestone requirements to mitigate risk. Our fundings to commitments ratio refers to the amount of a closed commitment which is funded.

Principal Repayments:

As of June 26, 2013, Hercules received approximately \$123.8 million in principal repayments, of which approximately \$93.3 million were unscheduled early repayments.

Portfolio Company Liquidity Events for Quarter-to-Date Q2 2013:

Quarter-to-date, seven Hercules portfolio companies have announced or completed eight liquidity events.

M&A

As previously reported, in April 2013, Japanese company Ajinomoto Co., Inc. (TYO: 2802) completed its acquisition of Hercules portfolio company [Althea Technologies](#). Hercules sold its entire warrant investment held in portfolio company Althea Technologies for a net gain of approximately \$4.3 million, of which \$3.8 million will be realized in the second quarter. The remaining \$500,000 is being held in escrow. Hercules realized a gross warrant multiple of 14.9x and an internal rate of return of approximately 28.4 percent on the total investment in Althea Technologies.

In May 2013, Hercules portfolio company **EKOS Corporation** reached a definitive agreement to be acquired by U.K.-based BTG (BTG.L) in a transaction valued at approximately \$180.0 million with up to \$40.0 million as milestone payments, subject to customary closing conditions.

In May 2013, AstraZeneca entered into a definitive agreement to acquire Hercules portfolio company **Omthera Pharmaceuticals** (NASDAQ: OMTH) for a total potential transaction value of approximately \$443.0 million, subject to customary closing conditions.

In May 2013, Hercules portfolio company **Empirion, Inc.**, reached a definitive agreement to be acquired by [Altera Corporation](#) (NASDAQ: ALTR) in a transaction valued at approximately \$141.0 million, subject to customary closing conditions.

In June 2013, Hercules portfolio company **Solutionary, Inc.**, announced it has entered into a definitive agreement to be acquired by Nippon Telegraph and Telephone Corporation. The financial terms of the all-cash transaction were not disclosed. The acquisition is subject to customary closing conditions.

In June 2013, Hercules portfolio company **Luminus Devices, Inc.**, announced it has entered into a definitive agreement to be acquired by Lightera Corporation. The financial terms of the

all-cash transaction were not disclosed. The acquisition is subject to customary closing conditions.

There can be no assurances that these companies will complete their respective mergers and acquisitions in a timely manner or at all.

Completed IPOs

As previously reported, quarter-to-date, two of Hercules' portfolio companies completed IPOs:

- In April 2013, **Omthera Pharmaceuticals**, Inc. completed its initial public offering and its shares are trading on the NASDAQ under the symbol ("OMTH"). In May, AstraZeneca entered into a definitive agreement to acquire Omthera Pharmaceuticals, Inc. (NASDAQ: OMTH) for a total potential transaction value of approximately \$443.0 million. Post it's completed IPO, on May 2013 it entered into a definitive agreement to be acquired, see disclosure above.
- In May 2013, **Portola Pharmaceuticals, Inc.** completed its initial public offering and its shares are trading on the NASDAQ under the symbol ("PTLA").

Current Companies in IPO Registration and Existing Warrant Portfolio:

As of June 26, 2013, Hercules had warrant positions in five portfolio companies that had filed Form S-1 Registration Statements in contemplation of a potential IPO:

1. ADMA Biologics, Inc.
2. iWatt, Inc.
3. Paratek Pharmaceuticals, Inc.
4. Company filed a Form S-1 Registration confidentially under the JOBS Act
5. Company filed a Form S-1 Registration confidentially under the JOBS Act

There can be no assurances that these companies will complete their IPOs in a timely manner or at all.

Investment Grade Corporate Rating:

In May 2013, Kroll Bond Rating Agency, Inc. ("KBRA") assigned Hercules an investment grade corporate rating of BBB+. In addition, the Company's two outstanding bond issuances of 7.00 percent Senior Unsecured Notes due 2019, which trade on the NYSE under the symbols "HTGZ" and "HTGY," were also assigned a rating of BBB+.

About Hercules Technology Growth Capital, Inc.:

Hercules Technology Growth Capital, Inc. (NYSE: HTGC) is the leading specialty finance company focused on providing senior secured loans to venture capital-backed companies in technology-related markets, including technology, biotechnology, life science and energy technology (aka cleantech industries) at all stages of development. Since inception

(December 2003), Hercules has committed more than \$3.8 billion to over 240 companies and is the lender of choice for entrepreneurs and venture capital firms seeking growth capital financing.

Hercules' common stock trades on the New York Stock Exchange (NYSE) under the ticker symbol "HTGC."

In addition, Hercules has two outstanding bond issuances of 7.00 percent Senior Notes due 2019—the April 2019 Notes and September 2019 Notes—which trade on the NYSE under the symbols "HTGZ" and "HTGY," respectively.

Companies interested in learning more about financing opportunities should contact info@htgc.com, or call 650.289.3060.

Forward-Looking Statements:

The statements contained in this release that are not purely historical are forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to uncertainties and other factors that could cause actual results to differ materially from those expressed in the forward-looking statements including, without limitation, the risks, uncertainties, including the uncertainties surrounding the current market turbulence, and other factors we identify from time to time in our filings with the Securities and Exchange Commission. Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions also could be incorrect. You should not place undue reliance on these forward-looking statements. The forward-looking statements contained in this release are made as of the date hereof, and Hercules assumes no obligation to update the forward-looking statements for subsequent events.

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Source: Hercules Technology Growth Capital, Inc.